

# **Institut ekonomických studií**

## **Fakulta sociálních věd, Karlova universita Praha**

### **Referee report on the Rigorosis Master Thesis submitted to State Exam**

<b>Student Name:</b>	<b>Jordan Gešev</b>
<b>Thesis Supervisor Name:</b>	<b>Ondřej Schneider</b>
<b>Thesis Title:</b>	<b>Theories on Executive Compensation and Czech Practice</b>

**Overall Evaluation:** The thesis expands and complements the previous Diploma thesis that dealt with same issues and was successfully defended at the IES. The author has incorporated major comments and suggestions and has produced a comprehensive text that covers most of topics related to its goal. The text is carefully written, with a reasonable list of literature and several insights well worth it. The author sought to incorporate my comments whenever was possible. While it is still that on several occasions, the author makes unsubstantiated claims that might not stand rigorous scrutiny, I recommend the thesis for the defense.

The thesis has a clear structure and the chapters are properly organized. After a brief intro, the second chapter deals with basic corporate governance models and discusses their pros and cons. The third chapter looks at compensation packages that boards typically bestow on managers. The discussion and occasional charts suggest that the compensation is difficult to explain by economic and financial factors only. The author makes some interesting, but unsubstantiated claims, in his discussion of managers' motivation.

Thesis first looks at managers' motivation but concentrates on the Czech – very specific – experience with transition from planned to market based economy. Further, the Czech experience is compared to the US experience.

The thesis is a frank and reasonably researched attempt to classify and analyze main aspects of the management compensation in incorporated firms. It uses sources from the U.S, but also brings in some data on the Czech firms, which is always a novelty. On the other hand, the thesis does not bring any substantially new empirical analysis and its theoretical parts suffer from some unsubstantiated claims.

Overall, I do recommend the thesis for the defense.

#### **SUMMARY OF POINTS AWARDED:**

<b>CATEGORY</b>	<b>POINTS</b>
Quality of Research	25
Clarity and Readability	9
Content/Quality of Ideas	30
Organization & Development	10
Manuscript Form	5
<b>TOTAL POINTS</b>	<b>79</b>

---

**(Signature – Defense Opponent)**

**Ondřej Schneider**

**Evaluated on: 27 February 2008**